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25X1A6A Chief of Station,

Deputy Comptroller

Vehicle Procurement Fund

See paragraph 4, below.

References:

- 25X1A6C (a) dated 23 March 1961
 (b) DIR 20761 dated 23 March 1960
 (c) Book Dispatch No. 2236 dated 19 October 1960

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1. Reference (b) authorized the sale of vehicles and the utilization by the station of the sales proceeds for application to costs of Headquarters approved replacements. prescribes that collections from the sale of equipment are to be reported to Headquarters as miscellaneous receipts with appropriate identification to the article sold. This procedure still applies and should be followed with respect to the recording of the proceeds of sale from the vehicles sold and the purchase of vehicles as authorized in reference (a).

2. Proceeds from sales of vehicles are subject to treatment as miscellaneous receipts by field stations because such procedures are required to be recorded as reimbursements, as opposed to refunds, to appropriations. The amounts involved have to be reallocated before they are available for expenditure. To provide for such reallocations to be made from accumulations of sales proceeds at field stations located world-wide is considered impracticable as the procedures for such reallocations would prove more complicated than present procedures for handling the subject proceeds. Field stations are not penalized with respect to their funding position under current procedures which provide initial funds for property procurement to cover the net costs of motor vehicles planned for replacement since additional funds can readily be justified based upon evidence of the sales transactions.

3. The instruction that funds from sales of motor vehicles should be held by the station for future application toward the cost of Headquarters approved replacements was inadvertently included in reference (b) based on an authorized procedure approved for a special set of circumstances for another station and was not intended for general application. Accordingly, it is requested that the proceeds of sale from MV 6126 as well as the proceeds from the sales of all other vehicles regardless of whether or not subject to replacement be reflected in your accounts as miscellaneous receipts, with appropriate adjustment to eliminate the vehicle procurement account.

(Cont'd)

10 May 1961

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4. With respect to the accounting treatment regarding local procurement of vehicles and the recording of the cost in the FPA system you are advised that the full purchase price is to be recorded as the cost to be reflected on Schedule E as well as in the property accounts. Headquarters is to be advised of the vehicle acquisition consistent with reference (c), attachment A, paragraph 4. Headquarters will accordingly treat the sales proceeds as a reimbursement to the appropriation and to the extent necessary make appropriate allotment adjustment to the procurement account maintained at Headquarters as a means of applying the proceeds to the cost of the replacement.

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